

From: Mike Mahoney
To: Microsoft ATR
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Subject: Comment on Settlement

Microsoft is the 500 lb. gorilla of the computer software industry. Your settlement is tantamount to giving it permission to sit anywhere it wants to. Lots of little players are going to get squashed. Many not so little players are already squeezed out of some markets.

Their tactic is to give their products away until the corner the market and then jack the price up once consumers have little choice other than to pay their exorbitant prices. MS Office is a good example. It used to given away free. I attended an MS Office seminar (free) and received a complimentary copy of their software. Today a full copy of MS Office is about \$800. Meanwhile, Lotus Smartsuite has lost significant market share. As that share continues to dwindle, look for MS Office prices to continue to climb. The same can be said for all the other productivity suite vendors.

Strong arm tactics are what forced IBM to basically stop selling OS/2. Oh, it's still available but you don't ever see any ads for it anymore. Technically, it's a far superior operating system, but no one would develop applications for it because Microsoft threatened to withhold API information from developers if they wrote their programs so that they would work on both Windows and OS/2. Without applications the operating system is useless. MS knew that and brought their fist down on the developers to make them conform to their wishes.

Your recent settlement with MS gives them license to continue their strong armed tactics. We're all going to be poorer for it. Despite what Bill Gates says, their issue isn't a "freedom to innovate", it's a freedom to steal good ideas from competitors and then force them out of the market.

If my government isn't interested in a level playing field there won't be one.

Mike Mahoney